

The decision to allow the export of Sandalwood oil subject to the above mentioned conditions was taken on the recommendation of Ministry of Environment & Forests on the ground that Sandalwood oil being a forest produce and not a machine finished product, its exports cannot be freely permitted.

So far as Jasmine Concentrates is concerned, the same is not appearing in Negative List of Exports, and hence is freely allowed for export to all permissible destinations subject to any other law for the time being in force.

#### **Jute Mills**

4297.DR. PRABIN CHANDRA SARMA : Will the Minister of TEXTILES be pleased to state :

(a) whether the jute mills in Assam are lying closed since long time;

(b) if so, the details thereof; and

(c) the steps taken by the Government to revive the jute mills in the State ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) No Sir, the mill (ACJM) is in operation continuously since 1986.

(b) and (c) Does not arise.

#### **Technology Insurance**

4298.DR. ASIM BALA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to formulate a technological insurance in the interest of the industry; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) No, Sir. No such proposal is under consideration of the General Insurance Corporation of India (GIC).

(b) Does not arise.

#### **Build Operate Lease and Transfer in Infrastructure**

4299.SHRI PRAMOD MAHAJAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have reviewed the existing scheme for private investors opting for Build Operate Lease and Transfer (BOLT) in infrastructure sectors such as roads, railways, power ports and telecommunications;

(b) if so, the details of options from private investors received so far in respect of each project and Governments response thereto;

(c) the details of concessions enjoyed by the private investors under the scheme;

(d) whether the Government propose to offer more sops to the private investors to make the scheme attractive; and

(e) if so, the details of fresh incentives ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) The Build Operate Lease and Transfer (BOLT) scheme is largely applicable in the Indian Railways. The BOLT scheme is reviewed from time to time and necessary changes, as are considered acceptable, are made therein to make the scheme successful.

(b) The scheme has not been very successful in respect of infrastructure projects such as Gauge Conversion, Doubling and Electrification of lines. So far, only four projects (2 of Gauge Conversion and 2 of Rolling Stock) have been awarded under this scheme. Even out of these 4, one contract of Gauge Conversion has been terminated as the contractor had abandoned the work.

(c) to (e) 5 years Tax Holiday is permitted on the income of the agencies executing infrastructural projects under the BOLT scheme. This is in addition to the normal depreciation benefits available under extant rules.

#### **Export to Russia Under Debt Repayment Scheme**

4300.SHRI ANANT GUDHE : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to allow consignment exports to Russia under the debt repayment scheme to prevent diversion of exports of hard currency areas (switch trade) and ensure timely availability of Indian goods in Russian Market; and

(b) if so, the details of proposals finalised so far ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Yes Sir. During the Third Meeting of the Indo-Russian Working Group on Trade and Economic Cooperation held at Moscow on January 23-27, 1997, both the sides, inter-alia, agreed that in order to ensure quick and regular availability of Indian goods in Russia, a scheme for consignment exports to Russia under the debt repayment track should be prepared. For this purpose, Reserve Bank of India has already written to Vnesheconombank, the

Russian Bank dealing with State Credit. In the meantime, in principle approval for consignment exports of tea to Russia under the debt repayment track has already been given by Reserve Bank of India.

#### Production of Textiles

4301. SHRI GORDHANBHAI JAVIA : Will the Minister of TEXTILES be pleased to state :

(a) the production of textiles in the country during each of the last three years; and

(b) the steps taken by the Government to improve the quality and quantity of the textile to make it more competitive in the international market ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) The production of textiles (yarn and cloth) during the last 3 financial years in the country has been as under:

Financial Year	Production	
	Total Yarn (Spun + filament) (MN. Kg.)	Total cloth (Mn. Sg. Mtr)
1993-94	2530	27898
1994-95	2608	28606
1995-96	2978	31891

(b) The Indian textile industry comprises of various segments; namely mill sector, powerloom, handloom etc. Depending on the needs of each segment of the industry policy interventions involving formulation of financial and administrative steps by the government for various segments is a continuous process keeping in mind the broad objectives laid down in the Textile Policy 1985. The government have taken various steps from time to time to encourage textile production in each segment.

These include :

Liberalisation of licensing provision; fiscal restructuring; permitting import of textile machinery under OGL; and reduction of custom duty on such imports; research and development activities; setting up of laboratories facilities; simplification of quota system; setting up of BIFR to inquire into working of sick industrial units, and to prepare and sanction, as appropriate, scheme for revival mills; reserving certain items for manufacture by handloom sector only; by way of running Powerloom Service Centres, Computer Aided Design Centres; improving quality of textile products and boost their value addition through various Textile Research Associations; removal of restrictions on the creation and expansion of capacity, subject only to

locational guidelines; working on various programmes for the promotion on export of the various segments of the Indian Textile Industry through various Export Promotion Councils under M/o Textiles; upgrading of testing facilities at the Textiles Committee and other Public Textile Laboratories to facilitate quick, affordable and reliable tests result to the exporters; and promoting quality consciousness among exporters to promote acceptability of Indian goods abroad.

#### Formation of Regional Trade Groups

4302. SHRI SATYAJITSINH DULIPSINH GAEKWAD : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government are aware that while World Trade Organisation strives towards global free trade, a contradictory process has been started by various regional power group forming themselves into regional trade blocs like the NAFTA, European Union APEC, ASEAN and other;

(b) whether the objective of these blocs is regional protection and trade-cooperation is opposed to free global trade; and

(c) the reaction of the Government in this regard and the action taken by the Government to protect the India's economic and trade interests in the face of these regional trade groups;

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) An important exception to the Most Favoured Nation (MFN) concept in the multilateral trading system established under the World Trade Organisation (WTO) is the General Agreement on Tariff and Trade (GATT) Article XXIV exception for customs unions and free trade areas. The trend towards regional integration implicit in this has uncertain consequences for the multilateral trading system, as the consequences would be a balance of trade creation and trade diversion effects of the preferential trading arrangements.

A Committee on Regional Trade Agreements that has been set up in the WTO on 6 February 1996 will, inter alia, carry on an examination of regional trade agreements and consider the systemic implications of such agreements and regional initiatives for the multilateral trading system and the relationship between them. Membership of this Committee is open to all WTO Members.

#### Overdraft by States

4303. SHRI V. PRADEEP DEV :  
SHRI DATTA MEGHE :  
DR. LAXMINARAYAN PANDEY :

Will the Minister of FINANCE be pleased to state :